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ARGENTINE FOREIGN MINISTER ADDRESSES GATT

PY160220 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2102 GMT 15 Sep 86

[Text] Punta del Este, 15 Sep (NA) -- Argentine Foreign Minister Dante Caputo today urged the participants of the GATT meeting to advocate "urgent structural changes" to international trade and warned that otherwise the "stubbornness" of the main partners in this trade "will end up destroying the multilateral system and making the GATT worthless." Caputo stated categorically that "protectionism, the dividing of markets, the artificial and inefficient agricultural policies of many developed countries must be discussed at this meeting."

Speaking at the opening of the GATT, the Argentine minister reviewed the current status of international trade and stated it is based on "two unfair principles." He said that "first of all, equal treatment is given to unequal parties. In the second place, this injustice is compounded by violations of common rules that benefit only the more developed countries, the very ones that drew up these rules in the first place."

Caputo went on to say that developing countries, especially in Latin America, want political consideration of the "extremely serious" problem of their foreign debt, a treatment that should take into account "the obvious responsiblity that the creditors and their governments have in the generation and development of this debt." He emphasized: "We, the debtor nations, have made efforts and are still tightening up our economies."

Caputo denounced the fact that "the demands made upon us, the weakest ones, are not mandatory for the powerful," and gave as an example the deficit of "one of the most developed countries" that amounted to $180 billion in 1985, that is, five times the amount required by the annual servicing of Latin America's foreign debt.

He added that the interest rates have gone up at least six times at the international market "because of the financial pressure of public expenditures of those very countries that want us to tighten our belts in the quest for the strictest austerity."

The foreign minister indicated: "We are being asked to be efficient producers and honest exporters. We are, but in this too, the formal equality does not apply to those who lay down the rules becuase they unhesitatingly close their borders to our raw products." He said: "Thus, we arrive at the absurd contradiction that our efforts to fulfill the obligations of our foreign debts crash against the growing protectionism of our creditors."

He added that "in keeping with this discriminatory approach," these countries "unleash commercial wars to take over markets from which they expel us by heavily subsidizing their inefficient production. The subsidies also pursue electoral purposes and fulfill domestic policy requirements."

Caputo then lashed out at those who come to Punta del Este to "advocate the opening of markets to goods and services at the very time when dishonest competition and protectionism against the most traditional basic products is being increased." Caputo emphasized: "We believe that if what we are looking for in the forum, is to build a fairer world by regulating international trade, then the current situation is totally illogical."

He added: "In any case , it seems that a new logic is being born. Its objective is to justify a new colonial approach because by worsening the inequalities of countries that are already unequal, the weaker countries have little or no chance to exercise their national sovereignty." Caputo stated that "the deep injustice of this new approach, constitutes a step backward in the quest of our stated objective." He said: "We are convinced that those who want to build a new order on such a foundation are, in fact, worsening the existing disorder, a disorder whose effects will be felt not only by our countries, used to poverty, but also by the more developed countries."

According to Caputo, "a world marked by growing imbalances is generating a commercial approach that is bound to exhaust itself in the long run," adding that "the continuing growth and economic development of the big powers will be impossible if the markets shrink." Caputo said: "Just as a society cannot develop if the distribution of income within it is painfully unfair and only a small wealthy sector enjoys the fiction of well-being, the international society cannot be organized so that a few become wealthier while the rest of us become poorer."

The Argentine minister remarked: "We are also concerned over the possibility that this round of talks may be used merely to reduce the differences among the big trade powers and to provide a legal multilateral camouflage for bilateral and unilateral practices which in the final analysis simply prove the will of the strongest prevails."

He emphasized: "We want a freely arrived at agreement and we want the rules and regulations resulting from this agreement respected. We want acknowledgement of the unfairness of our economic status quo and of the equal treatment for unequal parties".

Finally, the Argentine foreign minister said that protectionism, the dividing of markets, the artificial and inefficient agricultural policies of many developed countries, "must be discussed at this meeting and our negotiations must give rise to urgent structural changes." He added: "Otherwise, the stubborness with which the main international trade partners are destroying markets instead of opening new ones, will end up by destroying the multilateral system and making the GATT worthless."

Caputo said the meeting at Punta del Este "must avoid this and it will do so if key issues are not avoided, if priorities are taken into account, and if the responsibilities of each country are accepted."

JAPAN URGES NEW TRADE TALKS AT GATT MEETING

OW160017 Tokyo KYODO in English 2302 GMT 15 Sep 86

[By Masanori Kikuta]

[TExt] Punta del Este, Uruguay, Sept. 15 KYODO -- Japan urged the world's trading nations Monday to launch an "Uruguay round" of new global negotiations to liberalize trade in services as well as in goods. Japanese Foreign Minister Tadashi Kuranari proposed at the opening session of a ministerial meeting of the 92-nation General Agreement on Tariffs and Trade (GATT) that the projected trade talks be called the Uruguay round after the host country. Japan hosted a GATT ministerial meeting in Tokyo 13 years ago, which kicked off the 1973-79 Tokyo Round, the last in a series of seven rounds of multilateral negotiations for freer world commerce.

It will be the first time for GATT ministers to decide on the start of a new round at a meeting in a developing country, Kuranari said.

"Let us work together... to make this truly historic initiative a success," he said. "Let us build a more open and viable trading system, one which will effectively counter the mounting protectionist pressures and make GATT responsible to new challenges confronting international trade."

Kuranari made the remarks at the outset of the five-day meeting as chief delegate of Japan, which holds the current chairmanship of the GATT council. He named Uruguayan Foreign Minister Enrique Iglesias to chair the meeting under way at the wind swept, chilly beach resort, about a two hours' car ride from Montevideo.

Kuranari, heading a 50-man Japanese delegation, later addressed the meeting in a formal statement together with delegates from 10 other countries, including the United States, Britain and Australia.

Recalling that Japanese Prime Minister Yasuhiro Nakasone proposed the launching of a new round at a meeting with U.S. President Ronald Reagan in November 1983, it "is about to become a reality," he said.

The move was given an added spur last May when seven leading industrial democracies agreed at their summit in Tokyo to seek "decisive progress" on the issue at the GATT ministerial session. "The new round must ensure a fully effective response on the part of GATT to new areas... such as trade in services," Kuranari said.

A U.S.-led plan to include services trade on the negotiating agenda for the proposed new round is one of the hottest issues, strongly opposed by a group of 10 developing countries spearheaded by Brazil and India.

In this connection, Kuranari called on the GATT members to endorse a draft declaration which he said is already supported by nearly 50 countries. The draft calls for inclusion of services trade, protection of intellectual property such as patents against piracy, and other new areas in negotiating items. The draft is the "best and most possibly attainable" text giving the "fairest and most workable balance of national interests," Kuranari said. "I wish to reiterate, with great emphasis, that Japan supports this declaration."

There are two other draft texts. One, prepared by the 10-nation third world group, limits the negotiating agenda to trade in goods for fear that inclusion of services trade could allow powerful businesses in industrial countries to dominate their immature service markets.

The other one, drafted by Argentina, is a compromise text but most delegates reject it as too vague, conference sources said.

In addition to inclusion of the new areas, Kuranari spelled out three other negotiating principles:

-- the projected new round must prevent GATT principles from becoming a "dead letter" and achieve the restructuring of the open multilateral trading system;

-- the new round should be designed to give further reduction and elimination of trade barriers; and

-- the new round must improve the trade environment for developing countries, paying close attention to their swollen debt burdens.

Prior to the meeting, Kuranari conferred with his Uruguayan counterpart Iglesias. The two agreed to seek agreement from other GATT members to name the new round the Uruguay Round, Japanese officials said.

Kuranari also had brief separate meetings with Uruguayan President Julio Maria Sanguinetti and GATT Director General Arthur Dunkel.

Kuranari invited Sanguinetti to visit Tokyo at their 35-minute meeting, the officials said. The president thanked him for the first official invitation since he took office in March 1985 and added he will be "very happy" if he can visit, they said. Sanguinetti expressed hope for increased Japanese investment in his country and, in this connection, sought the dispatch of Japanese fact-finding missions, they added.

Kuranari closed the day with attendance at a reception hosted by Sanguinetti in honor of chief delegates from some 100 countries, including some observer countries.

'Wise Men's Group' Established

OW170453 Tokyo KYODO in English 0440 GMT 17 Sep 86

[By Masanori Kitkuta]

[Text] Punta del Este, Uruguay Sept. 16 KYODO -- Japan and Argentina agreed Tuesday to establish a "wise men's group" to help promote bilateral trade and economic ties as well as friendship. The agreement came at a meeting between Japanese Foreign Minister Tadashi Kuranari and his Argentine counterpart Dante Caputo, both heading their respective delegations at a trade meeting sponsored by the General Agreement on Tariffs and Trade (GATT).

The two countries had agreed in principle to form the group in July when Argentine President Raul Alfonsin visited Tokyo.

The group will compromise five people each from the two nations, and it will hold its first meeting in Buneos Aires next January and the second one in Tokyo around summer, completing a report by the end of 1987, the officials said.

Among subjects to be discussed are: longer term measures to cement friendly ties, increased exchanges in the trade and economic spheres, and promotion of technical cooperation.

Kuranari promised Caputo to consider sending a Japanese economic mission to explore the possibility of increased business investment in Argentina, the official said.

Indian, Brazilian Cooperation

OW170449 Tokyo KYODO in English 0518 GMT 17 Sep 86

[Text] Punta del Este, 16 Sept [KYODO] -- In an unprecedented move, Japanese Prime Minister Yasuhiro Nakasone has sent letters to the leaders of India and Brazil seeking their cooperation in bringing the current GATT meeting here to a successful conclusion, Japan's trading partners were told Tuesday.

Nakasone wrote to Indian Prime Minister Rajiv Gandhi and Brazilian President Jose Sarney asking them to support a plan to include services and other new areas of trade in the projected new round of trade liberalization talks, Japanese delegation sources said.

This was made known to chief delegates to the GATT session of the European Community (EC) and 10 major industrial democracies -- the U.S. Canada, Australia, New Zealand, Britain, Switzerland, the Netherlands, Norway, Sweden and Finland -- when they attended a luncheon hosted by Japanese Foreign Minister Tadashi Kuranari to brief them on Japan's position toward the conference.

In the letters, Nakasone expressed his understanding of the two countries' concern that liberalizing trade in the new areas may leave their markets in these sectors in the hands of powerful businesses in industrial nations. He assured them that Japan will insist on adopting a declaration that takes their anxiety fully into account, the sources said. Japan has not yet received replies to the letters, they added.

India and Brazil are leaders of a 10-nation Third World group opposing the inclusion of the new areas in the next round of GATT trade talks. Brazil softpedaled on the issue, but India remained a hard-liner as they addressed the second day of the five-day meeting Tuesday.

BRAZILIAN MINISTER WANTS SERVICE OUT OF GATT

PY162230 Madrid EFE in Spanish 2030 GMT 16 Sep 86

[Text] Punta del Este 16 Sep (EFE) -- Brazil reaffirmed today its opposition to the inclusion of service trade in the new round of GATT (General Agreement on Tariffs and Trade) negotiations, but reasserted its willingness "to tirelessly strive for a consensus."

Brazilian Foreign Minister Roberto de Abreu Sodre said at the plenum of the Punta del Este conference that his government "rejects any imposed solution" on the 10 countries that are opposed to the inclusion of service trade in the negotiations.

Brazil, Cuba, Nicaragua, and Peru are in the so-called "Group of 10" which is opposed to the intention of the states and other industrialized countries to include services (computers, telecommunications, banks and insurance, among others) in the General Agreement on Tariffs and Trade.

Minister Abreu Sodre said the discussions which have been held so far, have confirmed the Brazilian position that among the 92 member countries of GATT, there is no clear idea of what services are. The head of the Brazilian Foreign Ministry said: "Our position against the inclusion of services under GATT agreements remains unchanged. However, we will continue to tirelessly work for a consensus, but will object to any attempt to impose a solution on us."

He then added: "We will accept considering the services question, taking into account the priority the industrialized countries attach to a multilateral action in this sector, provided the position of countries which, like Brazil, opposed the inclusion of service trade into the new round of GATT negotiations is fully respected."

Abreu went on to say that his country is determined to complete a new round of negotiations. This statement was interpreted by conference observers as a disposition to make the Brazilian posture "more flexible."

The United States, for instance, made the completion of the new round of GATT negotiations conditional on the inclusion of service trade under GATT agreements. U.S. spokesman recognized that the appeals to Brazilian President Jose Sarney, who has just ended an official visit to Washington, to agree to bringing service trade under GATT agreements have failed.

CORRECTION TO OPENING OF GATT CONFERENCE

The following correction pertains to the country name in the headline of the item entitled "Sanguinetti Opens GATT Conference in Argentina," published in the 16 September Latin America DAILY REPORT, page A 1, beginning of that page:

...Sanguinetti Opens GATT Conference in Uruguay...(changing "Argentina" to "Uruguay")

PROVINCIAL MINISTER RESIGNS OVER BAIL SCANDAL

PY120327 Buenos Aires BUENOS AIRES HERALD in English 11 Sep 86 p 1

[Text] (DYN-NA) -- The Chaco contraband scandal gathered steam yesterday with accusations flying from all quarters. The provincial government spent a large part of the day huddled in a closed meeting which culminated in a press conference in the late afternoon.

During the day the Provincial Economy and Public Works Minister Rafael Gonzalez handed in his resignation declaring that the government had lost its credibility. Political sources said Gonzalez' resignation was a question of "abandoning a sinking ship."

In a telephone call to DYN Chaco governor Florencio Tenev denied that he had issued cheques drawn on government accounts to pay the 5,000 dollar bail for the release of his private secretary Juan Carlos Gomez who had been arrested in connection with the contraband of marihuana and electronic equipment.

Earlier in the day Radical Deputy Livio Mirben Lastaza had accused the governor of using public funds to pay the bail and said that he knew the number of the cheques which he claimed had been drawn on the governor's expense account.

When questioned further Tenev said that he had the cheques in his possession and said that they had neither been collected nor could they be deposited. "In other words the whole matter made no sense whatever."

Tenev alleged that the accusations against members of his government claiming they were involved in smuggling were part of a political manoeuvre. He emphasized that there were no drugs and there had only been a denouncement by "someone who said that Gomez had sold a cassette recorder and nothing else."

In related developments the local river police Chief Sixto Bernardes in a statement to NOTICIAS ARGENTINAS said that further arrests were imminent but gave no details.

GOVERNMENT EXTENDS STAY OF U.S. TROOPS

PY161348 La Paz La Red Panamericana in Spanish 1130 GMT 16 Sep 86

[Text] Foreign Minister Guillermo Bedregal announced that the government has decided to extend the presence of U.S. troops in the country for another 60-day period. The initial agreement was that the U.S. troops would stay in the country for only 60 days. Yesterday, however, the initial 2-month period expired, and the government decided to allow the U.S. troops to stay for another 2 months.

Commenting on the struggle against the drug trade, Bedregal said:

[Begin recording] [Bedregal] I just want to make an announcement. We have agreed on the need to expedite a transition process so that the logistical support can be once and for all performed by Bolivian personnel.

[Reporter] The 60-day period expires today [words indistinct]

[Bedregal] We have extended it for another 60-day period. [end recording]

After announcing that the U.S. troops will stay in Bolivia for another 60-day period, Bedregal changed the subject and discussed his upcoming visit to Cuba on which a group of Cabinet ministers will accompany him. Bedregal said he will go to Cuba in a few hours, and outlined the issued to be discussed.

[Begin Bedregal recording] We are going to sign several very important agreements. I cannot remember all of them offhand, but we will sign agreements on health and agricultural technology dealing with sugar. (?We will seek) to obtain a technology which is truly the most productive one in the world, especially regarding harvesting. The mechanized harvesting developed by the Cuban sugar industry, which is the most advanced in the world, will bring great relief to [words indistinct]. [end recording]

These were the remarks by Foreign Minister Bedregal, who will soon go on an overseas trip at the head of a Bolivian mission.

COB CALLS FOR END TO NATIONAL HUNGER STRIKE

PY161312 La Paz La Red Panamericana in Spanish 1130 GMT 16 Sep 86

[Text] Pursuant to an agreement signed by the mineworkers and the government on 13 September, the Bolivian Labor Confederation [COB] yesterday decided to end the national hunger strike called on 9 September.

In a communique, the COB executive committee also announces its desire to solve problems through dialogue within a framework of individual guarantees. The COB notes, however, that the hunger strike might be resumed if the government fails to comply with the agreement.

The communique, which is signed by Walter Delgadillo and by other union leaders, states that the COB and its affiliated organizations decided to call a national hunger strike to request that the workers' demands be met, especially the immediate release of detained or banished political and union leaders and the enforcement of union rights.

The COB also lauds the mediation of the church and notes that the government has agreed to release the detained or banished leaders and has given guarantees to union leaders. These decisions, the COB says, have been confirmed by the interior minister.

INFORMATION MINISTER DENIES RESIGNATION RUMORS

PY161936 La Paz La Red Panamericana in Spanish 1700 GMT 16 Sep 86

[Text] Information Minister Herman Antelo has reported that several ministers of the economic sector met this morning with President Paz Estenssoro to discuss some economic issues.

[Begin Antelo recording] A team of ministers is meeting with the president to discuss the implementation of the agreement which was signed by the government and the Trade Union Federation of Bolivian Mineworkers [FSTMB]. The agreement will have economic and administrative consequences. The mining, labor, finance, and planning ministers have briefed the president on their respective areas. They are now discussing the smooth implementation of the agreement, ensuring that it will not affect the economy. [end recording]

Antelo told Panamericana and other media organizations that no resignation has been tendered by any cabinet member and that all members of President Paz Estenssoro's cabinet are working normally. He said that a report about the planning minister's resignation which originated in Cochabamba, is not official.

[Begin Antelo recording] It is not true. The fact is that any agreement calling for economic measures will concern the ministers of the economic sector. Efforts are now being made to reconcile economic and sociopolitical aspects, but there are no disagreements. They just have to coordinate their actions and this is what they are doing now. [end recording]

SARNEY PREDICTS MORE COMMERCIAL CONFLICTS

PY16139 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Sep 86 p 5

[By Gilberto Dimenstein, special envoy to New York]

[Text] Assessing his visit to the United States in a press interview yesterday, President Jose Sarney, 56, said that Brazil will face more commercial conflicts with developed countries. The reason for the conflicts lies in the fact that Brazil's economic growth prompts it to move into "new spaces," into "disputed areas," thus affecting the interests of other countries. Consequently, Sarney said that "it is possible" that he will make trips to Europe and Japan to explain the Brazilian positions.

The president noted: "We should recall that only one third of our debt is to the United States, the rest is to Japan and the European countries." He said that Finance Minister Dilson Funaro has begun to make contacts with European bankers to discuss the foreign debt and the need for its negotiation. He then affirmed that Brazil does not accept the IMF because the country has made "an option for growth and development."

Asked if a renegotiation of the debt would not cause a "cascade effect" in other debtor countries, which would then demand better renegotiation terms, Sarney replied: "We came here to defend and to publicize the Brazilian position. Each country has its particular situation." As for the possibility of a deadlock in negotiations because of the bankers' demand for a clearance from the IMF, Sarney said only that he believes in "negotiations." But he stressed: "We have to negotiate now, because the country has a social commitment that presupposes a commitment to growth." President Sarney asserted that the results of the visit were "positive," because Brazil had the opportunity to clearly and "coherently" state its position. He deplored "rumors" that something "concrete" should have resulted from the trip. Sarney said: "We came here to discuss positions, and decisions should not be expected." Sarney then pointed out that despite the differences in some aspects of their relations, the two countries are "close," and that conflicts are part of relations between two "great nations." During this trip, according to the president, it was demonstrated that once again that the foreign debt is not a "purely technical" matter, but a political question.

Sarney recalled that the Cartagena Group had agreed to meet whenever necessary to define a position in the face of new increases in interest rates on the foreign debt. At that time, he said, the group had a cocked "gun" aimed at any unilateral modification of rates by creditor countries. So, President Sarney noted, "these creditors must be persuaded to hold serious talks."

President Sarney finally guaranteed that Brazil is not interested in building an atomic bomb. He explained that nuclear research is directed at peaceful uses. To show that Brazil is a "peaceful" country, Sarney mentioned the Brazilian proposal for the total demilitarization of the South Atlantic -- not even permitting the transport of weapons through that region.

EDITORIAL SCORNS U.S. OFFICIALS' 'ARROGANCE'

PY161850 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Sep 86 p 2

[Editorial: "Intimidation and Rudeness"]

[Text] The attitude of U.S. Vice President George Bush, U.S. Secretary of State George Shultz, and U.S. Treasury Secretary James Baker during the 11 September meeting with President Jose Sarney constitutes an unacceptable example of arrogance, pretension, and lack of political sophistication which, we thought, had been eradicated from the relations between Brazil and the United States.

President Jose Sarney had been willing to talk with the U.S. Government officials in his capacity as chief of state of a mature sovereign country, which is aware of its specific interest. He speaks on behalf of the Brazilian nation. He represents a country that rejected IMF monitoring of its economy as an infamous practice; a country that rejected the most cruel, irrational, and irresponsible recessionary strategy; a country that rejects the transfer of funds abroad at the expense of the poverty of its people -- funds that are indispensable for its development.

President Sarney has behind him a nation that is unanimous in rejecting the present international economic order; unanimous in repudiating a situation in which the poor countries are providing for the prosperity and wasteful lifestyle of a few; unanimous in repudiating any external threat, any attempt to subordinate it, any disregard for its sovereignty.

As a mature country determined to move ahead with its development plans and aware of its international responsibilities, Brazil has been meeting its debt commitments, and its president has expressed the intention to renegotiate the country's foreign debt as a demonstration of political vision and sensibility. The idea that fair foreign trade agreements should be formulated by the two countries is taking hold. With an enlightened notion of the existing problems and of its own international importance, Brazil is willing to engage in conversations with the United States.

Long ago we left behind the time of bravado, unilateral decisions, and rhetorical tirades inspired by a situation of underdevelopment. President Sarney did not go to the United States as a spokesman of those times, and he did not go to hear reminders of those times. but that was the attitude adopted by the advisers to President Reagan. They want to go back to playing a game of pressure, a game which Brazil is no longer in a position to play. President Sarney has the most decided and emphatic support of all Brazilians during this episode, which illustrates the lack of understanding, arrogance, and selfishness of those who defend the international status quo -- in all its aspects of open unfairness and detriment to the development of nations. Neither the president nor Brazilians will bow their heads to gross intimidations by the U.S. Government. They will not allow any attempt to submit them to a status of relations that is unworthy of the country's importance, of the country's level of development, and of the country's status as a free and sovereign nation.

Advisers Assess Sarney's Visit

PY162053 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Sep 86 p 34

[By O ESTADO DE SAO PAULO special correspondents in New York]

[Text] President Sarney decided to engage in a confrontation with the United States when he was already in Washington, according to one of his closest aides. "This position will give Sarney an excellent image in Brazil. It already elicited good reactions and could further strengthen the president's prestige and leadership, especially now that we are approaching an election. However, many of us feel that his position was not good for our foreign policy," the presidential aide said.

According to the presidential aide, a basic rule governing Itamaraty's policy is to always avoid confrontations. This time Sarney chose not to avoid it by responding to U.S. provocations. The aid said: "It is always difficult to solve a problem when it has already become public, but this is precisely the job of diplomats." He added: "We were prepared for confrontation, but we did not want to take the initiative. We only began to attack after the welcome speech at the White House."

Ministers and presidential advisers have conflicting views about the presidential trip. Some believe it was a failure because if the trip was made just to create such a broad spectrum of confrontation with the United States, it would have been better not to have gone at all. Others believe the U.S. Government tried to use the visit for domestic electoral purposes -- proof of this is the insistent request by Secretary of State George Shultz and by White House staffers that Brazil agree to negotiate the inclusion of services within GATT.

Most members of the Brazilian delegation believe, however, that the visit was a complete success. According to Brazilian diplomats, the U.S. officials did not engage in a confrontation, but simply spoke their minds as they always do in the presence of foreign visitors and there was no reason to act differently with Brazilians.

A minister believes that the most important aspect was the chance the two presidents had to meet personally. After all, he said, U.S. diplomats do not deny the great significance Reagan attaches to personal relations. Several State Department and White House officials told members of the Brazilian entourage that Reagan was very impressed by Sarney.

In a reception hosted for Sarney last night, U.S. Ambassador to the United Nations Vernon Walters, who is also known as Reagan's leading adviser on Brazil, said: "The visit was a complete success. It had only positive aspects." Walters added: "The confrontation you are talking about only exists for the Brazilian press. The most important thing is that Reagan liked Sarney very much."

REPORTAGE ON VISIT TO BULGARIA BY SOCIALIST PARTY

For Bulgarian coverage of the visit by a Socialist Party delegation, led by Clodomireo Almeyoda, see the Bulgarian section of the 16 September Eastern Europe DAILY REPORT and subsequent issues.

SPANISH GOVERNMENT PROTESTS CHILEAN SPYING

PY102059 Madrid EFE in Spanish 1917 GMT 10 Sep 86

[Excerpts] Madrid, 10 Sep (EFE) -- Official sources reported today that the Spanish Government today conveyed its "strong protest" to the Chilean executive branch over the spying activities against the Spanish Embassy in Santiago in August.

The Spanish Government summoned Chilean Ambassador in Madrid Enrique Campos, to convey the protest after it decided that the explanations given by General Pinochet's regime on those activities were "unsatisfactory." Campos was summoned to the Spanish Foreign Ministry where Maximo Cajal, secretary general for foreign policy, conveyed to him the protest of the Spanish Government, according to the Diplomatic Information Office. (OID), mouthpiece of the Ministry. [passage omitted]

The Spanish Foreign Ministry also decided today that "in view of the events" in Chile, Spanish Ambassador Miguel Solano, who was recalled to Madrid for consultations on 2 September, should go back to his post. [passage omitted] On 4 September, the Spanish ambassador to Chile met with Spanish Foreign Minister Francisco Fernandez Ordonez, to whom he reported the explanations received from the Chilean Government on the espionage affairs.

Since Fernandez Ordonez is currently paying an official visit to Israel, Solano held a meeting with Maximo Cajal yesterday. After this meeting, the Spanish Government, according to OID, "has reaffirmed its conviction that the answer supplied by the Chilean Government is unsatisfactory." Solano will return to santiago today.

Meanwhile, government spokesman Javier Solano told EFE today the Spanish Government is following with "deep concern" the events taking place in Chile. When EFE asked him about the situation in Chile, Solano answered that "the position of the Spanish Government toward violence is well known" and within this context it wishes to state its sorrow for the casualties of the attack on Chilean President Augusto Pinochet.

Solano added that the Spanish Government has always advocated the reestablishment of freedom and democracy in Chile through peaceful means. He said that "in this regard, the Spanish Government feels the exceptional measures implemented by the Chilean Government are new and unfortunate obstacles for the achievement of the atmosphere necessary for the political transition to democracy the Chilean people desire."

BAN AGAINST REUTERS NEWS AGENCY RESCINDED

PY162131 Madrid EFE in Spanish 2101 GMT 16 Sep 86

[Excerpt] Santiago, 16 Sep (EFE) -- The chief of the state of siege zone today rescinded the prohibition to broadcast information about Chile levied against the REUTERS news agency. This is stated in Edict No 6 issued by this military official overturning Edict No 2 issued on 8 September, which banned the transmissions of ANSA and REUTERS.

The new edict is signed by Brigadier General Carlos Ojeda Vargas, commander of the state of siege zone, which encompasses the Metropolitan Region and San Antonio Province. [passage omitted]

HOY MAGAZINE REAPPEARS ON NEWSSTANDS

PY162125 Madrid EFE in Spanish 1730 GMT 16 Sep 86

[Text] Santiago, 16 Sep (EFE) -- One week after it was closed, along with five other weeklies opposing the Chilean military regime, the magazine HOY has reappeared on Santiago newsstands. The ban imposed on six magazines, by virture of the state of siege decreed on the night of 7 September, continues to be in effect for ANALISIS, APSI, CAUCE, LA BICICLETA, and FORTIN MAPOCHO.

In issue No 478, which is the current issue, HOY publishes Edict No 5 of the office of the chief of the emergency zone, dated 13 September, ordering that the ban imposed on the magazine be annulled.

In its editorial, the weekly refers to the foiled attack perpetrated against the chief executive, General Augusto Pinochet, stating that this bloody episode has been condemned by all domestic and international circles. The magazine states: "The happiness of the Chilean people will not be forged with crime. As we have raised voice to call for calmness and restraint in the governmental response to the proposals of the vast majority of the people, we also demand the extreme opposition sectors first ponder that by pursuing the way they have chosen they will just weave the country's misfortune, worsening its maladies."

Moving on, the editorial adds that the state of seige implemented by the government has not been and is not the appropriate way. The editorial states: "This is especially because using the state of siege the press has been harassed." It adds: "Also, it casts on the preventive measures or measures to combat terrorism a suspicion of arbitrariness or aimlessness."

HOY further states: "Therefore, it is not unusual that, protected by those regulations, unidentified armed groups have emerged. These groups have perpetrated several crimes, among them the one involving journalist Jose Carrasco, which is especially disturbing because of the nerve shown by the people who apprehended him and the savagery used to kill him."

COURT REJECTS PROTECTION PLEA ON TECHNICALITY

PY170206 Santiago Domestic Service in Spanish 2300 GMT 16 Sep 86

[Relay from mobile unit No 21 in Santiago Court of Appeals by unidentified reporter]

[Text] The Santiago Court of Appeals tonight rejected a plea for protection on behalf of 10 national journalist association leaders and 11 Metropolitan Region journalist association leaders. These leaders are reportedly physically and morally threatened as a consequence of recent events, particularly the murder of journalist Jose Carrasco Tapia.

The plea for protection was requested by Mireya Baltra, who is the acting director of the National Journalists Association. The decision was made unanimously by the judges of the Santiago Court of Appeals. The court decision states that the plea for protection is not applicable because those responsible for the threats are not mentioned, therefore the court cannot adopt any direct measure to grant protection.

However, the Court of Appeals decision adds that since the threats can be considered crimes against the public, the court will send a report on the case to the appropriate criminal court in order to begin an investigation and sanction whoever is found responsible for the threats, and to thus be able to grant protection to those who have requested it.

Journalists Leave After Threats

PY160400 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1900 GMT 15 Sep 86

[Text] Buenos Aires, 15 Sep (NA) -- Spokesmen for Chilean journalists reported here today that several Chilean journalists who worked for opposition magazines, which were closed by the Pinochet government, have arrived in Buenos Aires in the last few days to safeguard their lives after having received either telephone or direct threats from paramilitary commandos. The sources noted that "Chilean journalists are experiencing a true psychosis in view of the multiple threats, especially after the assassination of ANALISIS Magzine Editor, Jose Carrasco Tapia."

Among the journalists who left Santiago is the renowned radio reporter, Mario Gomez Lopez, who when intercepted on the street by unidentified armed men was urged to leave the country within 48-hours. Gomez Lopez, a journalist working at the Chilena and Carrera opposition radios, said this morning in a statement to Radio Argentina that in Chile people are witnessing the "fall" of a scenario held in place "through blood and lies." The Chilean journalist said: "I believe that despite the panic, the terror, and the hunting that has been unleased, we will be able to overcome this state."

About his personal case he said that on 8 September, 24 hours after the frustrated attack against Pinochet, a group of armed persons surrounded him at 1130 p.m. He said: "I did not know that Jose (Carrasco) had been killed. They told me: Don Maria, we like you, we know you and we ask you to go away."

"But I asked them 'if you like me so much, why do you send me away.' To this they answered: 'so that the same thing does not happen to you.' When I got home there were two messages about Carrasco's death. It was then that I understood the message," added Gomez Lopez.

The journalist noted that in Chile "when those who do not identify themselves with any organization (police or military) get you, that is when you get machine-gunned. That is what happened to Carrasco. I know he was in Buenos Aires and that one way or the other he was able to send messages about what was going to happen to him."

Another Chilean journalist who works for an international news agency, but who requested not to be identified, has reported that "the same thing happened in Argentina during the time of the triple A, when numerous intellectuals had to leave the country" is happening now in Chile.

Marcos Aburto Madariaga, photographer of the closed British news agency REUTER, was also forced to leave the country because he received death threats from the same commando that killed Carrasco.

Another professional, Juan Jorge Faundes, who also worked for CAUCE magazine, which was also closed by the government, chose to leave Santiago suddenly. He headed for Spain, but made a stop in Buenos Aires. Faundes wrote an article for CAUCE which questioned the seriousness of the Pinochet Government's denunciations about the discovery of the arms caches in the nothern region of Chile.

The late journalist Carrasco Tapia had chosen Buenos Aires as his place of residence, after having received death threats; but 3 days before his kidnapping, he returned to Chile in view of his father's deteriorating health.

Chilean journalists have reported these incidents to the Buenos Aires press association and other international press associations.

UNIVERSITY STUDENTS FEDERATION LEADER KIDNAPPED

PY162349 Paris AFP in Spanish 2319 GMT 16 Sep 86

[Text] Santiago, 16 Sep (AFP) -- Enrique Paris, one of the leaders of the Chilean Catholic University Students Federation (FEUC), was kidnapped today by several unidentified and heavily armed individuals, who stopped the car in which he was traveling together with FEUC president Thomas Jocelyn-Holt.

FEUC leaders said the kidnapping took place in the 10 de Julio District in downtown Santiago. It was carried out by unidentified individuals who used four cars to stop the vehicle that was carrying Paris and Jocelyn-Holt and forced them to get out of the car.

Enrique Paris is a leftist leader of the FEUC and has been criticizing the actions of General Augusto Pinochet's military government.

University circles did not know tonight the leanings of the group that arrested Paris. The students were worried because a self-styled 11 September commando group has been operating for 1 week, during which it kidnapped and murdered four leftists.

The sources said the residence of FEUC Adviser Dauno Totoro was raided by plainclothesmen in his absence. The Chilean Catholic University and the University of Chile are the two major universities in the country.

CARABINEROS FIND NEW ARSENAL IN ABANDONED MINE

PY120008 Madrid EFE in Spanish 2253 GMT 11 Sep 86

[Text] Santiago, 11 Sep (EFE) -- Carabineros have announced the discovery of another arsenal in an abandoned mine in the northern part of the country. According to the police report, the arsenal was found near La Serena, 470 km north of Santiago. It contains 265 U.S. made M-16 rifles, 59 FAL rifles, and 20,000 rounds of M-16 ammunition.

The police did not report any arrests in the discovery of the arsenal by Carabineros and Army troops in the abandoned mines. The police said the arms are of the same type found in recent weeks in the Carrizal Bajo area on the northern coast. The government said that the arms were for the Manuel Rodriguez Patriotic Front (FPMR).

According to the official report the weapons found in the arsenals are: 3,616 M-16 automatic U.S. rifles; 207 FAL automatic Belgium rifles; 1,987,512 5.56 mm cartridges for M-16 rifles; 1,970 Soviet hand grenades; 114 Katiuska RPG-7 rocket launchers; 1,863 Katiuska RPG-7 Soviet rockets; 167 disposable U.S. LAW bazookas; and almost 3,000 kg of various explosives.

NEW COMMANDO CLAIMS RESPONSIBILITY FOR 4 MURDERS

PY130031 Paris AFP in Spanish 0010 GMT 13 Sep 86

[Text] Santiago, 12 Sep (AFP) -- The so-called 11 September Ultrarightist Commando [Comando Ultraderechista September 11] today claimed responsibility for the murder of four Chilean leftists who were violently kidnapped from their homes by well-armed civilians in the last few days. The kidnappings occurred during curfew hours.

An unidentified man called several international press agencies warning that five people were killed in the attack against President Augusto Pinochet and that there will soon be a fifth death, one for every guard killed. The anonymous caller indicated that the murders were committed by the 11 September group which is the antithesis of the Manuel Rodriguez Patriotic Front.

The kidnappings and murders of reporter Jose Carrasco, teacher Fernando Vidaurrazaga, electrician Felipe Rivera and accountant Abraham Muskatblie occurred a few hours after the unsuccessful attack on 7 September against President Augusto Pinochet. Five of his bodyguards died in the attack.

MINISTER ANNOUNCES COMPUTER EXPORTS TO USSR, PRC

PY170018 Lima Radio del Pacifico in Spanish 1300 GMT 16 Sep 86

[Text] Commerce Deputy Minister Pedro Menendez reported yesterday that Peru will export computers -- a total of 50,000 units during the next 4 years --to the Soviet Union, Czechoslovakia, Yugoslavia, and the PRC for approximately $1 billion [figure as heard].

Menendez explained that there is a market for 90 million units in the PRC, and that our 3 manufacturers are improving their infrastructure in order to export 50,000 units to that Asiatic country.

Pedro Menendez, who heads the Peruvian delegation that will attend the GATT meeting in Punta del Este, made these statements to reporters at Lima Airport shortly before leaving for Uruguay.

This GATT meeting will discuss whether the GATT tariffs should include bank service, transportation, and tourism, a move to which Peru is opposed, because the resonable thing would be an exemption that would guarantee our services without any type of restriction, he explained.

GARCIA ADVOCATES TALKS ON MOVING CAPITAL

PY161620 Lima Radioprogramas del Peru Network in Spanish 0000 GMT 16 Sep 86

[Excerpt] At the opening ceremony of the National Forum for Regionalization in the auditorium of the Continental Bank, President Alan Garcia said that the change of the country's capital should be discussed, and that the Valley of the Mantaro River might be an adequate place to relocate the capital.

President Alan Garcia Perez this morning opened the National Forum for Regionalization, which was organized by the Chamber of Deputies and by the National Institute of Planning. The meeting was attended by representatives of public and private entities, labor and managerial organizations, political parties, presidents of corporations, municipal authorities, and state and private banks, among others. In his opening speech, the president said that it is imperative that the country be decentralized and that this should be done before anything else, even before discussing the boundaries and number of the regions:

[Begin Garcia recording] We want the decentralization to begin right away. I think that all our efforts will be in vain if we do not neutralize the attraction of this promised land, this land that offers only sand, unemployment, and no hope to those who come here and never fulfill their expectations. We should start thinking about moving the headquarters of the government to a place far from Lima, in an attempt to stop the Peruvian tendency of centralizing the essence of national life in Lima and on the Pacific Coast. All the efforts we make must be oriented toward moving Peru out of Lima. We must think of a historical detour for our country, and to move the capital might be a symbol and a new point of attraction. I think that this is an important topic for reflection. [passage omitted] [end recording]

FINANCE UNDERSECRETARY ON DEBT RENEGOTIATION

PA152103 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 13 Sep 86

[Report by Hector Gonzalez Perez]

[Text] Renegotiating the country's foreign debt will keep the debt from checking Mexico's economic development, Undersecretary of Finance Francisco Suarez Davila has asserted. He said that the renegotiaton of $48.7 billion of the public foreign debt, contracted with foreign private banks, will make it possible to reduce the amortization payments and save on interest payments. He explained that renegotiation has made it possible to reduce payment commitments of up to $11.667 billion per year between 1985 and 1990 to $2.09 billion over a period of 14 years.

Suarez Davila, who today met with the Chamber of Deputies' Programming and Budget Commission members, explained that the price and tariffs policy plays a fundamental role in financing national development. He said that through the elimination of unjustified subsidies and the updating of prices and tariffs, it has become possible for public insitutions and enterprises to increase their financial efficiency by 2.1 percent of the GNP.

Suarez Davila explained to the deputies of the 53d legislature that due to the variable effects of the international economy, the internal public debt increased by 15.9 percent, the internal debt by 7.9 percent, and the foreign debt in dollars by 4.2 percent, as the gliding [deslizamiento] effect was eliminated.

The Finance Secretariat has announced that Suarez Davila will travel to New York to negotiate the foreign debt with our country's creditors. During his stay in New York on 15 and 16 September, he will study Mexico's foreign debt counterproposal with a group of bank advisers. The finance undersecretary will explain how our country is seeking the international banks' support to defer the payment of interest on the debt.

BRIEFS

ZACATECAS GOVERNOR SWORN IN -- Genaro Borrego Estrada, PRI member, has been sworn in as governor of Zacatecas State. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 13 Sep 86 PA]

POLICE DESTROY MARIJUANA PLANTATIONS -- Members of the Mexican Federal Judicial Police, who are working in the "Pacifico VII" antidrug operation in the northern part of Mexico, destroyed some 15 hectares planted with marijuana in an area of the Juarez municipality, in Chihuahua, the Mexican Attorney General's Office reported yesterday. [Summary] [Mexico City EL UNIVERSAL in Spanish 10 Sep 86 p 1-A PA]

PEMEX FINANCIAL REPORT -- In 1985 Pemex paid 3 million pesos in taxes to the Federal Government and had utilities of 1 million pesos, which demonstrates that Pemex's finances are in good shape. Foreign exchange income in 1985 totalled $15.15 billion, and 75 percent of Pemex's investment program was covered by internally generated resources. In addition to this, Pemex's foreign debt dropped from $19.8 billion in 1982 to $15.7 billion in 1985. Pemex reported that these financial statements, certified by the federal government's Comptroller General's secretary, demonstrate that Pemex's finances are healthy. [Text] [Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 12 Sep 86 PA]

COSTA RICA

ARIAS COMMENTS ON NEUTRALITY, HABIB VISIT

PA161649 San Jose LA PRENSA LIBRE in Spanish 11 Sep 86 p 4

[Text] President Arias said Costa Rica will give its principle of neutrality top priority because we do not want to see ourselves involved in the war that is approaching in Nicaragua.

The president said that the consolidation process of a Marxist regime is irreversible as they are now, for example, seeking to negotiate with the Nicaraguan church. He said it is late for that since they have already expelled Father Bismarck Carballo from the country.

The president's comments came after his meeting with itinerant Ambassador Philip Habib, who is touring Central America and looking into several options to the region's problems with the presidents of Guatemala, Honduras, El Salvador, and Costa Rica.

Habib confirmed that the talks will continue in New York at the end of the month when the UN sessions begin.

President Arias said that as a direct result of the meeting with Habib, Secretary of State George Shultz expressed interest in holding talks of 45 minutes to 1 hour with him to discuss topics dealt with yesterday.

Foreign Minister Rodrigo Madrigal Nieto, who took part in the meeting between Habib and Arias, said that the United States does not influence the reactivation or nonreactivation of the Contadora Group actions, and it will be the representatives of the member countries who will decide on future actions of that group when they meet in New York.

Those who will attend include Corazon Aquino of the Philippines, Miguel De la Madrid of Mexico, Eric Arturo Delvalle of Panama, and Jose Sarney of Brazil.

The president also referred to the aid the U.S. Government will give Central America which totals $300 million.

Of that amount, Costa Rica will get approximately 60 million colones [as published], which is considered on the low side. However, it was noted that because the other countries are entering a democratization process more aid will be assigned to them.

CONTRA 'BANDITRY' CITED IN POCOSOL REGION

PA161315 San Jose LIBERTAD in Spanish 12-18 Sep 86 p 3

[Text] Despite official statements that "neutrality will be respected," armed counterrevolutionary bands continue to be active in the northern part of the country, committing acts of provocation against Nicaragua and acts of banditry against Costa Rican citizens.

The Corella family was another of the many victims of the outlaws of the counterrevolution, when the vehicle in which they were traveling was attacked in the Pocosol region by persons linked with the terrorist bands of the UNO-FDN [Nicaraguan Opposition Unity - FDN].

The attack occurred last Thursday. The Corella couple, accompanied by their 5-month-old daughter, Dina Mayela, were travelling in their vehicle when the contra bandits opened fire on them. The child was wounded in the head and in the hand, losing the thumb of her right hand. Her father suffered a bullet wound in the thigh. The bandits stole 20,000 colones in cash and other personal belongings and fled to one of the contra camps in the San Carlos canton.

According to the authorities in the San Carlos canton and other regions on the Nicaraguan border, the population is afraid to talk. It is known that the contras have threatened to attack and kill those who dare to denounce their deeds.

Many Costa Ricans have been the victims of this foreign counterrevolutionary army, which operates in Costa Rica despite official statements that our country is neutral and will not allow its territory to be used to attack neighboring countries.

This paper learned from national military sources that there is strong resistance to the action Security Minister Hernan Garron wants to undertake in defense of an effective neutrality policy. These circles would be more obedient to the CIA agents and the U.S. Embassy, which openly support the counterrevolutionary activity, than the orders of a minister of known democratic views.

It was learned that the situation in the north could become more serious once the CIA begins to implement the $100 million aid to the contras. It is known that the government is being strongly pressured "to accept or play dumb" regarding Costa Rica being used as a training camp for the contra bands by the CIA, a subversive agency officially designated to direct the terrorist war against Nicaragua.

In the northern part of the country there is much fear and concern. The contra criminals are on the loose and becoming increasingly bolder.

EL SALVADOR

REBELS GIVE DUARTE 10-DAY DEADLINE ON TALKS

PA160414 Hamburg DPA in Spanish 0044 GMT 16 Sep 86

[Text] San Salvador, 15 Sep (DPA) -- The Salvadoran rebels said today that they give President Jose Napoleon Duarte 10 days to reflect and renew the preparatory meetings for laying the groundwork for a third round of negotiations, given the failure of the preparatory meeting in Panama City.

Jorge Villacorta and Salvador Samayoa said, in exclusive statements to DPA via telephone from Panama City, that the FDR and FMLN have told the Salvadoran Government that if it reconsiders "its caprice" of demilitarizing [as received] Sesori, they may renew the talks in Mexico City, Panama City, or anywhere else within 10 days.

Duarte said that if the rebels reconsider their position and decide to go to Sesori on 19 September, they should let him know through the mediator. FMLN's Samayoa jokingly said: "It is the other way around. If Duarte, who has limited power, decides to renew the talks, we are always willing."

Samayoa explained to DPA that the Salvadoran Government must understand that, even though it received $750 million per year from the United States and is the fourth largest aid recipient in the world that receives aid from that power, it has not been able to defeat the FMLN; therefore, the military solution is not appropriate.

In addition, Ana Guadalupe Martinez, commander of the People's Revolutionary Army, said: "We do not reject the dialogue, but we will not give up our weapons and we will not put them down. The people must understand that reality."

Meanwhile, FDR delegate Jorge Villacorta said that President Duarte "will put up a show," a "clownish act" by going alone to Sesori. He has taken the dialouge as a propganda instrument, and the Salvadoran Army is not interested in the dialouge either. Villacorta said that " the Armed Forces have capriciously chosen to remain in Sesori. They will suspend the operation in a few days, and they could very well do it now."

Villacorta, who was agriculture minister in the Christian Democratic regime 5 years ago, said that Colonel Roberto Staben, commander of the Arce Battalion -- which is currently in Sesori -- was the same one who attacked the Christian Democratic Party in 1980 and inflicted a lot of deaths. How can we trust him?" Villacorta asked. [quotation marks as received] He also said that the mediator in the dialogue, Archbishop Arturo Rivera y Damas, said in Panama City that he would not go to Sesori on the 19th because it would be useless.

Meanwhile, organized sectors that oppose Napoleon Duarte's regime warned in San Salvador that they will increase the pressure this week so that a real willingness to seek a peaceful resolution is shown, and so President Duarte proves that his power is not limited -- as asserted here by several sectors -- by the pressures from the United States, the Armed Forces, and extreme right sectors.

FMLN'S MARTINEZ DISCUSSES TALKS WITH GOVERNMENT

PA151921 (Clandestine) Radio Venceremos in Spanish to El Salvador 1310 GMT 15 Sep 86

[Statement by Ana Guadalupe Martinez, member of the FDR-FMLN delegation to the Panama preparatory meeting, on 14 September in Panama City -- recorded]

[Text] Regarding the talks here in Panama with the government delegation to prepare for the Sesori meeting, we can say we have made every effort to reach a satisfactory agreement. However, we have not seen that same attitude from the government. For example, on the first day we proposed the talks begin at 1500 but the government delegation arrived at 1730. [Words indistinct] they refused a truce, they refused a demilitarization, and they said no to everything we proposed. [Words indistinct]. Then on the following days, we managed to reach a consensus on the agenda.

The agenda for the third meeting is more or less as follows. We will read it, because it is appropriate to read it. [Words indistinct] this agenda shows our commitment to attend the third meeting. It include the peace proposals made by the Salvadoran Government, and the FDR-FMLN.

In the second point, we agreed on holding discussions to begin implementing the first steps to solve the conflict: termination, and implementation of the necessary mechanisms to integrate national sectors in the solution.

In the third point, we agreed to discuss and define the continuity of the dialogue: type of meeting, characteristics of the political and technical meetings, frequency of the meetings, and the place where they will be held, whether in or out of the country.

Let's say these were the agreements we reached yesterday afternoon. Then we began to discuss the points that were pending: truce and demilitarization. This is where we got stuck, because as they had said publicly before, they would not accept a truce or a demilitarization. This is a position of the government. [words indistinct] Duarte is not even slightly interested in seeking peace, because he really is not committed to it.

The government delegates left the meeting and said they could not continue to discuss these topics. They could not agree on a truce because the Army had the constitutional obligation to protect the Salvadoran people. They also said demilitarization was against the Constitution. [words indistinct] They said we would use a demilitarization to gather our forces and carry out an attack immediately after the dialogues. We disagreed with the argument that we could benefit from the truce. [words indistinct]

The government delegation left the meeting and said they could not discuss this point. This morning, we waited for the government delegation. We waited for them to arrive [words indistinct]. Then they arrived. We met again. We proposed discussing other pending topics. [Words indistinct]. However, they said they would only continue to negotiate if the FDR-FMLN accepted security measures offered by the government to the delegation that attended the meeting. Otherwise, everything agreed upon would be invalidated and 19 September would be the last day in which we could reply. To this we proposed to continue the dialogue in San Salvador, Mexico, or Peru in 10 days in an attempt to reach an acceptable agreement.

I repeat: They ended the meeting because with this ultimatum, the talks could no longer be continued.

This is the situation. We hope to continue reporting tomorrow, when perhaps we could give you a broader picture.

FMLN Issues Bulletin

PA161202 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Sep 86

[Press bulletin issued by the FMLN Press and Propaganda Commission on 15 September in Panama City]

[Text] Press bulletin No 3: The FDR-FMLN delegation to the second preparatory meeting for the third round of talks reports to the people and to local and international news media its evaluation of the events that caused the failure of the preparatory meeting in Panama.

As we reported yesterday, the government's delegation did not show up at 1000 as agreed to resume the talks; when it showed up at 1330, it talked to the intermediary, refusing to meet with our delegation. Since yesterday the government's delegation showed a tendency to get off the subject of the dialogue and to have the continuation of the meetings depend only on what we do; indicating that it would only return to the negotiating table if we had something new to say regarding what they called their security guarantees offer to our delegation that would go to Sesori.

We feel that we came to Panama to reach agreements between both sides and not to impose conditions. Along this line, we suggested, through the intermediary, to continue the talks on the other pending issues, which the government's delegation did not accept.

We suggested holding another meeting within 12 days, which was also rejected. All we heard from them was about their so-called proposal, but at no time were alternatives to continue the dialogue to make effective the third meeting in Sesori discussed. Once again displaying their arrogance, the government's delegation even told us that it would only accept continuing the meetings if we accepted the guarantees and security measures offered by the Armed Forces.

The government's delegation returned to the point where it started, to the proposals the government has been announcing in the past few days. They told us that President Duarte will be in Sesori, which we already knew, whether or not our delegation is present. They also told us that we had until 19 September to change our opinion regarding their offer, otherwise all the agreements reached so far would be forfeited. Such an attitude has confirmed what we have been saying about the government's delegation, that it did not come to Panama with an attitude in favor of the dialogue and reaching agreements. Instead it displayed an arrogant and inflexible attitude and in a straitjacket imposed by the Salvadoran Armed Forces.

Therefore, we say that the Salvadoran regime is fully responsible for the failure of this second effort to make the third round of talks in Sesori possible. Meanwhile, we remain open to all possibilities and opportunities offered by the government to resume the dialogue. We will not stop making efforts to obtain the dialogue's continuation by every possible means, which is the only way to advance toward a political solution.

We want to express our special recognition of the Salvadoran news media for the efforts it has made to report the talks in Panama to the Salvadoran people. Such a performance by the Salvadoran news media is of great importance at this moment to keep the people abreast of a matter of national interest.

We thank the Panamanian Government and people for the opportunity given to our people to have an adequate climate of cooperation and hospitality to hold an event, which has to do with the realization of one of our most profound aspirations.

We feel sure we did our duty and acted in a responsible manner, respecting the neutrality demanded by circumstances.

We call the attention of our people and international opinion to remain on the watch because we will report the analysis that our two fronts will make regarding this meeting and the outlook for the dialogue in the search for peace.

Panama City, 15 September 1986.

CASTILLO CLARAMOUNT REVIEWS PANAMA MEETINGS

PA151523 San Salvador Radio Cadena YSKL in Spanish 1331 GMT 14 Sep 86

[Statement by Salvadoran Vice President Rodolfo Antonio Castillo Claramount via telephone from Panama City on 15 September -- recorded]

[Text] We are continuing to report the incidents that have occurred as a result of our efforts during the second preparatory meeting with the terrorist leaders. As head of the Salvadoran delegation and vice president of the Republic, accompanied, of course, by Julio Adolfo Rey Prendes, Colonel Reinaldo Lopez Nuila, and with the cooperation of Deputy Communications Minister Roberto Viera, we participated in meetings that ended yesterday at 1730, when the delegates from the terrorist fronts decided the meeting was over.

They refused to accept the government proposal to guarantee all aspects of their delegates safety in Sesori. The government proposal, of course, involved the cooperation and deep commitment of the Catholic Church, the International Red Cross, and the embassies of friendly countries accredited in El Salvador.

However, the rebels made totally unacceptable demands. Their demands would be inadmissible for any country in the world. They demanded the complete withdrawal of the Armed Forces from nine towns in the northern part of San Miguel, among them, of course, Sesori. This would involve surrendering an area of approximately 300 square km to the guerrillas so they could establish their forces there. Currently, the entire area is controlled by the Salvadoran Armed Forces, which offers security, vigilance, and protection to those towns that have suffered so much as a consequence of this war.

Despite this objectionable and unreasonable attitude of the terrorist delegates, in the end we upheld the government's offer and determination to hold the Sesori meeting. We said that the president and his delegation will be in Sesori on the 19th. We hope that through Msgr Rivera y Damas, the guerrillas will inform us of their decision to accept the government's offer, so that the Sesori meeting can be held.

We are capable of preparing in 24 hours or less everything necessary to guarantee the security of all of the guerrillas and people who want to be in Sesori. We want to prevent any incidents. I also want to inform the Salvadoran people that Msgr Rivera y Damas even made a proposal initiated by the Catholic Church itself, which offers personal protection by Bishop (?Estele) of [name indistinct] in Germany. Bishop (?Estele) is a world renowned figure, an influential figure within the European, and I would say, world Catholic Church. Msgr Rivera y Damas said that Bishop (?Estele) would protect the life of guerrilla terrorist Joaquin Villalobos with his own life. Msgr Rivera y Damas also offered to guarantee the life of the other terrorists [word indistinct] with the presence of Msgr Gregorio Rosa Chavez. This was an effort by the Catholic Church mediators who were all present at the meeting.

However, this proposal was not accepted by the terrorists, who persisted in thier preposterous and unreasonable demands, which cannot be accepted because they are totally inadmissible for El Salvador and would be for any other world country. The government's refusal to accept their proposal is not whimsical. It would be illogical and absurd for a country to surrender territories that the rebels do not have the capacity to control militarily, and much less to sustain militarily. The rebels have never maintained or controlled any territory in the country, not 300 square km, not nine towns, and much less the northern part of San Miguel Department.

In a word, everyone in El Salvador knows that the guerrillas are capable of implementing terrorist attacks, of attacking at night, of ambushing, of attacking without running any risks, but that they cannot maintain positions from a military viewpoint. This is a truth, a reality. Of course, they wanted to take advantage of this occasion -- because there can be no other explanation for their unreasonable demands -- to demonstrate to the world that they have power and control over that area, and to show that they are a belligerent force that has conquered all of that territory. We would have to be totally naive or even something worse, which I cannot mention publicly; we would have to be truly foolish, to say the least, or we would have to be traitors to the fatherland to accept something of this nature. Therefore, their proposals cannot be accepted.

Nevertheless, we have established that the government's offers regarding security, mobilization, logistics -- everything so that the meeting can take place, remain the same, and we will wait until the last moment for a statement from the guerrillas through Msgr Rivera y Damas in order to hold the meeting.

Yesterday, almost at nightfall, we contacted President Duarte after making an in-depth analysis of the situation. The three delegates informed him in detail of the situation, and told him of our final proposal. The president made a series of comments. This is our report, a clarification of our position.

GENERAL BLANDON VIEWS REBUILDING PLANS, DIALOGUE

PA130449 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 11 Sep 86

[Text] General Adolfo Blandon, chairman of the Salvadoran Armed Forces Joint Chiefs of Staff, will soon urge politicians to join the United To Rebuild Plan. The Armed Forces recently spent more than 55 million colones in Sonsonate, La Union, Guazapa, and the eastern region as part of the United to Rebuild Plan, which is aimed at reactivating zones affected by the conflict. In a news conference, Gen Blandon said that over 400 families benefited from the construction of a new wharf in the port of Acajutla; in the eastern zone, more than 200,000 peasants have benefited from the actions aimed at countering the effects of the drought. He later invited politicians to join the United to Rebuild Plan.

[Begin recording] [Blandon] The politicians have yet to receive the appropriate information about the goals of the United to Rebuild Plan. I believe the principal political leaders in the country will soon approach us. I hope that once they receive the proper information, they will welcome the plan as other sectors already have. I want politicians to understand very well that this is the country's alternative for peace and that nothing will be gained by continuing disputes among ourselves and our organizations. Only national unity will allow us to solve such a critical problem in the country. What was the other question?

[Unidentified correspondent] What is the position of the private sector and certain rightwing sectors that control the groups [words indistinct]? They were not too happy about [words indistinct] and are causing social and economic problems in the country.

[Blandon] That is right. I received three statements during the meeting which were critical of certain government policies. Fortunately, these are only the result of a certain sector's interests and I believe this matter will be solved by the government in the near future; this is important and necessary to overcome the situation.

[Correspondent] General, perhaps the private sector [words indistinct]?

[Blandon] We have received no material support yet, only what I have mentioned. However, the meeting I held with the Salvadoran archbishop, with all his general staff, so to speak [reporters laugh] was very positive. There was some criticism against the civil defense, but they are right to feel worried becasue the civil defense created many problems some years ago, and we still have some problems with the civil defense. We are exerting ourselves to the utmost, and I said so to the archbishop. This topic will be discussed during a meeting of commanders, to improve the situation, because there are two forces involved in this: the Catholic Church criticizes the civil defense's abuse of authority, and the terrorist groups do not want the civil defense, because with it they would be left without supply centers in certain areas of the country.

[Correspondent] General, what about the relocation of the people which you discussed during the meeting with the Church? What points have you discussed with the general staff? How are the plans to relocate the population coming along?

[Blandon] This is one of the topics which most interests the Catholic Church -- i other words, the displaced people -- but we are also interested in this. We ar interested in seeing all those people who now live in the refugee camps return to their places of origin. Likewise, the Catholic Church agrees with the joint chiefs of staff's position; the relocation activities should be carried out in an orderly way and under strict control to prevent future problems.

[Correspondent] General, do you have an idea of how much the current operation cost? The plans [words indistinct]?

[Blandon] I cannot give you a figure, not even an estimate, because the way we see it, this campaign has no definite deadline. It will last as long as necessary to solve the problems afflicting the people, who have suffered the most due to the conflict. We will do as much as possible during the rest of the year, and we will surely do much more next year because the campaign will receive the government's decided support. I expect that the other sectors will have joined the campaign by a year from now.

[Correspondent] General, the remainder of the AID funds and other U.S. Government organizations [words indistinct]?

[Blandon] Most of the funds come from the AID, through Conara [National Commission for Reconstruction] and Codera; and sometimes through the Interior Ministry. We also contribute with our own funds as much as possible, because the effort must also be...[changes thought] the government sectors must also exert themselves.

[Correspondent] General, have you requested some kind of (?contribution) from the private sector to cover the cost of the war?

[Blandon] No, absolutely nothing. We have yet to plan some kind of contribution with them. We hav only requested their moral support for the time being. They have presented some offers on their participation. However, we donot think taxes or other measures should be demanded.

[Correspondent] Gen Blandon, please tell us what might take place next week concerning the dialogue between the government and the leftist forces. The archbishop said that one of the topics to be discussed beginning tomorrow in Panama is the militarization of the areas around Sesori. Also, the leftists have said you have troops and [words indistinct] under these conditions. What is your opinion of the situation?

[Blandon] I think that the president of the republic has issued the permanent [corrects himself] pertinent instructions, based on what the political constitution states, concerning the role of the Armed Forces. The joint chiefs of staff has received orders from the president to prepare a security plan in the Sesori zone, and the president's statements have been clear. The meeting will be held in Sesori, it will be held on the 19th, and nothing has been said about a demilitarization or truce or anything like that.

[Correspondent] General, what is your viewpoint as a military officer [words indistinct]. What would the Salvadoran people think about a truce right now?

[Blandon] We have a constitutional mission which we must fulfill: the security and integrity of our territory. We must fulfill our mission; I do not believe a truce could possibly be established right now.

[Question indistinct]

[Blandon] I would not like to discuss this topic because right now [corrects himself] a meeting will be held in Panama City tomorrow and I would not like to interfere with more details...[changes thought] discuss the subject any further.

[Correspondent] General, referring to another topic, we would like to know how many operations are currently being carried out and how many soldiers are participating in those operations?

[Blandon] Please repeat the question.

[Correspondent] How many operations are the Armed Forces carrying out right now and how many soldiers are participating in them?

[Blandon] Seven [as heard] large-scale operations are currently underway throughout the country. "Operation Phoenix" is continuing; it has been underway for approximately 7 months. We also have the "Chavez Carreno Operation" in Chalatenango, an operation which is being carried out north of Tenancingo; another operation has been underway for approximately 3 months in northern San Miguel Department -- precisely the area where the dialogue will be held. By the way, we began these operations before the commissions chose Sesori as the site for the third round of talks. A large-scale operation is being carried out north of the Torola River, and we have units posted throughout most of the northern areas in that department. We also have another operation north of La Union; another large-scale operation in the area of Jucuaran; and another large-scale operation in the area of San Bartolo and Chanmico, and in Dolores, [name indistinct], San Vicente, Usulutan Department; and another large-scale operation in the coffee region of Santa Ana Department. I believe we are currently using 70 percent of our forces in the large-scale and smaller-scale operations, and in permanent operations throughout our national territory.

[Question indistinct]

[Blandon] That is a matter which was discussed by the commissions that handled this. I understand that the government commission did not decide [corrects himself] suggest that the meeting be held in Sesori. The terrorist groups selected the area of Sesori, and not the government.

[Correspondent] General, referring to the 70 percent of the Armed Forces you mentioned, does that mean that some 35,000 men are participating in the operations and are being mobilized throughout our national territory?

[Blandon] I will ask the officer in charge of operations to give you an exact answer. [end recording]

The chairman of the Armed Forces Joint chiefs of Staff said all the people will be free to attend the government-guerrilla meeting on 19 September. Likewise, the topic of Colonel Omar Napoleon Avalos was discussed during the meeting, and Treasury Police Director General Rinaldo Golcher said the legal files of all the prisoners and the conditions for their release will be given out. The information will be presented by Salvadoran Archbishop Monsignor Artur Rivera y Damas to the fronts during the second preparatory meeting, which is being held in Panama City.

GUATEMALA

PRESIDENT CEREZO HOLDS PRESS CONFERENCE

PA152217 San Salvador Radio Cadena YSKL in Spanish 1744 GMT 14 Sep 86

[Report by Sra Belenda on news conference with Guatemalan President Vinicio Cerezo, in Los Auzoles, Ahuachapan on 14 September]

[Text] Today at noon the Salvadoran and Guatemalan presidents, Jose Napoleon Duarte and Vinicio Cerezo, signed an agreement on electrical interconnection between the two countries. The agreement was signed between the Salvadoran Lempa River Hydroelectric Executive Commission [CEL] and the National Institute of Electrification [INDE] of Guatemala. A few minutes after the inauguration, the presidents held a press conference. Guatemalan President Vinicio Cerezo began the conference. We now offer you part of this news conference.

[Begin recording] [Cerezo] As President Duarte says, I am ready to respond to any question you may have today. I believe that the fundamental reason for our presence here has been manifested today in the inauguration speeches, thus it is now your turn to ask questions.

[Reporter] Mr President, has your neutrality policy regarding the Central American conflict changed?

[Cerezo] So far, I believe I have not shown any sign of changing this neutrality policy. We maintain our neutrality policy, which has been defined as a serious attempt to avoid armed conflicts and a decision to contribute to any political mechanism that may establish bases for a permanent peace, for the development of democracy and idelological pluralism.

[Reporter] What were the main topics discussed during your private meeting with President Duarte?

[Cerezo] We did not hold any private meeting.

[Reporter] A private meeting had been scheduled to discuss matters [words indistinct].

[Cerezo] Well, we did not hold a private meeting. As you have seen, the only private moment we had was when [words indistinct]. [Cerezo laughs]

We have not discussed any subjects privately yet. However, I should add, traditionally, and recently, we have had many points of agreement with President Duarte on many matters, such as on the view we have on the Central American conflict, but we have not had time to hold a private meeting at this time.

[Reporter] Mr President, in Guatemala and in reports from international press agencies, it has been said that a plan has been disclosed to gag the press in Guatemala. Can you comment on this situation?

[Cerezo] There has been an analysis made by a journalist who is concerned about Guatemalan public opinion. The plan had been sent for consultation to some level of the administration.

We did not discuss it. As president of the Republic, I believe I can say that in the past 30 years there had not been as much press freedom in Guatemala as there is now. Sometimes, according to some and according to this journalist, there is too much freedom. The government does not have a [word indistinct] attitude toward press freedom, and the first evidence of this is the newspapers, the reporters, and the several organizations that have received information from the government of the Republic and our willingness to express our viewpoints with much freedom. This was simply an opinion.

[Reporter] Are there any new developments about the creation of the Central American parliament? What is the situation with Nicaragua at this moment?

[Cerezo] At this moment the technical commission is working in Nicaragua to continue discussing the basic agreement to create the Central American parliament. We have continued on the path to discuss the creation of the parliament, and I must say that so far I feel optimistic and that we are taking positive steps to organize the parliament.

[Reporter] Mr President, you have mentioned that Central America needs the help of foreign nations for proejcts like the one you have inaugurated today. Does this mean that your government opposes military aid?

[Cerezo] No, this means that we insist on the need to turn Central America into an area for the development of democracy and peace and not a region to resolve conflicts between international superpowers. At this moment, the military aid is necessary for countries, but I believe we must insist even more that the military aid be directed toward internal defensive security of the countries rather than toward possibliities of an escalation of the Central American conflict. I have specifically mentioned an important point; we expect from other developed nations of the world an attitude of cooperation for the consolidation of democracy and for the bases for the development of the people rather than the propitiation to polarization and conflicts.

[Reporter] Regarding Nicaragua's position [words indistinct] and what is the current situation?

[Cerezo] Nicaragua is participating in the meetings of the technical commission and in the several meetings that have been held to create the Central American parliament. Obviously, the Central American parliament will have as a base the consolidation of a democratization process in each country and the possibilities of each nation to elect their own representatives.

[Reporter] Are there any differences in the proposals [words indistinct]?

[Cerezo] So far there have been none.

[Reporter] Have there been trade exchange problems between Guatemala and El Salvador due to the [passage indistinct]?

[Cerezo] There was a lack of communication on our part regarding STS [not further identified] mechanics, and this had created unrest within the Salvadoran private sector. We are in the process of informing the Salvadoran Government of the STS methods of controlling foreign trade, and of informing the private sector so that it can confirm that this is not an intervention in Guatemala's external affairs or any other country's internal affairs.

It is simply an effort to attain the information that the government and people in general should have. Democracy is based upon free information of all these things; not only of government activity, but of economic activities as well.

[Reporter] What are the advantages of this mechanism?

[Cerezo] STS is a company in charge of creating mechanisms to obtain objective information regarding exports and imports. The basic advantage of STS is that it improves the possibility of collecting the foreign exchange currency that belongs to the country.

[Reporter] Since the Salvadoran and Guatemalan Governments are both Christian Democratic regimes, why is El Salvador doing nothing to control imports and exports?

[Cerezo] The first reason is that even though we are Christian Democrats, President Duarte is president of the Salvadorans, and I am president of the Guatemalans. This is something very important. He is the head of a government that must respond to all of El Salvador's needs, and we are a government that must respond to Guatemala's needs. Christian Democracy does not impose models in all of the Christian Democratic countries but responds to the needs of each concrete reality. Second, a much bolder step was taken in El Salvador: Imports were nationalized.

[Reporter] Mr President, what consequences could the U.S. bases in Honduras have on [words indistinct]?

[Cerezo] Could you please repeat that question?

[Reporter] What consequences could the U.S. bases in Honduras [words indistinct] have on Central America and specifically [words indistinct]?

[Cerezo] The enemies of democracy are those who want to turn democracy into a miraculous act for the solution of problems and those who are impatient. Those who do not want to contribute to making the people aware of the fact that greatness and development are the results of hard, persistent, and prolonged work are the ones who want to discredit democracy. They are the ones who say that democracy fails because it does not solve 200-year-old problems in 7 months. Those are the enemies of democracy; they do not influence the people or create in them the desire to work, build, and not wait for miracles from democracy. Democracy is the result of a unification of effort and not the fruit of miracles that have long since disappeared from world history.

[Reporter] Could you point out the country that does not want to contribute to this peace and democracy?

[Cerezo] That is a completely different question. I cannot assert that there is a country that does not want to contribute to peace and democracy in Central America. Peace and democracy must be built in each country, and this refers to the direct convictions of each country. I can say that in Guatemala there are conditions that allow each of the political groups to express themselves if they want to.

Within the institutional mechanism, and President Duarte can do this, each of the Central American presidents and their people should be asked if they feel they can participate [words indistinct]. What I can assert is that peace is the result of democracy and pluralism, of tolerance, and of space so that all of the political forces can discuss any sector.

[Reporter] What does your government think of the dialogue the Salvadoran Government and rebels will hold?

[Cerezo] I think it is a commendable effort by President Duarte, and I respect all the initiatives he has made in the effort to consolidate democracy. I believe the person most capable of judging the situation in El Salvador is President Duarte.

[Reporter] If the Central American parliament is formed would the Contadora Group be replaced [words indistinct]?

[Cerezo] No. The Central American parliaments has not been proposed to replace the Contadora Group. The parliament is not a temporary solution, rather the result of a concrete analysis that has proven that the error of Central American integration in the past was that it did not integrate the countries politically and socially. The Central American parliament would be a permanent instrument for the solution of conflicts by representatives of each country, and it could -- on specific occasions -- be a good forum to discuss conflicts between the Central American countries. Contadora is an effort by other Latin American countries outside the region to promote a dialogue in Central America, an effort we are grateful for, although during the past months and years we have insisted on the need to have Central America play a leading role in deciding its own fate.

[Question indistinct]

[Cerezo] Of course. The cooperation is an effort to resolve the differences between various sectors. Democracy is the awareness of the fact that problems can be solved on the basis of peaceful discussion, and that the decisions will work in favor of the majority of the people. Also, this awareness should be consolidated with national (?solutions), because we live in the same country, and we are not enemies but people with different viewpoints. We must sit down and determine who is right, and when this cannot be ascertained in a discussion, the people are asked to give their opinion, and the majority wins.

[Reporter] Mr President, common crime and inflation have been frequent problems in Guatemala. What has your government done about this?

[Cerezo] We have launched an economic reorganization plan, and the only thing we intend to accomplish this year is to organize our economy and stabilize the quetzal's foreign exchange rate; thus, we will be able to begin the reactivation phase next year to increase our production, lower the cost of living, and -- consequently -- inflation. I might add that we have attained complete success this year; the quetzal's official exchange rate has been stabilized at 2.50 [to the dollar], and the banking exchange rate has been stabilized at approximately 2.95 [to a dollar]. We hope to unify the exchange rates next year, but this will depend on the circumstances prevailing at year's end. Inflation has not dropped, but it has become stable. In other words, the constant increase in the cost of living has stopped; it has not dropped, but it has not increased in general terms. I might add that we have attained some specific goals concerning employment and incentives to the production sector. The incentives to production have created the conditions we expected and some [word indistinct] actions have derived specific benefits for our infrastructure. Anyway, our goal this year was to attain order in our national economy, and we have achieved this goal.

[Reporter] Referring to the human rights situation, some improvements have been noticed according to certain statements. Do you think [words indistinct]?

[Cerezo] In my opinion, there has been a definite improvement concerning human rights and political activities. We had offered to decrease political violence by 80 percent, and we have surpassed that figure. The decrease has exceeded the 90 percent level; however, we must admit that we have specific problems -- such as common crime. This phenomenon is natural in every new democracy. The criminals believe that they have the right [Cerezo laughs] to freely engage in their activities. [reporters laugh] Therefore, we have been compelled to increase police efficiency, and we have begun to achieve some specific success. The people are already aware of this improvement. Anyway, we have had no political crimes that can be attributed to the government or anyone in the government during our 8 months in power, because there have been none.

[Reporter] The Mutual Support Group leaders have criticized [words indistinct] concerning human rights. What is your opinion?

[Cerezo] That is one of their characteristics; they always criticize what our democratic institutions do, but [words indistinct].

[Reporter] Referring to those who travel from El Salvador to Guatemala [words indistinct] because there is a lot of crime in Guatemala...

[Cerezo, interrupting] That is true, particularly in the zone of Jalpatagua and certain Salvadoran communities, where violence had greatly increased. Nowadays the police and some Guatemalan Army forces in the border area have set up control posts, and they have begun to offer more security. I might add that the crime rates have increased the most in Guatemala City, specifically in the outskirts and in the downtown area. However, this has begun to decrease.

[Question indistinct]

[Cerezo] There is complete protection on the highways nowadays. [end recording]

HONDURAS

AZCONA DELIVERS INDEPENDENCE DAY SPEECH

PA160251 Tegucigalpa Domestic Service in Spanish 0107 GMT 16 Sep 86

[Independence Day Speech by President Jose Azcona Hoyo; place not given -- live]

[Text] My fellow countrymen, first of all and before going into the essence of my message, I wish to tell you that I should have delivered this speech at noon at the National Stadium. However, for understandable reasons -- as the desire and privilege of the secondary schools to march, which they had not done at that hour, and show the Honduran people their exercises honoring the fatherland, which they had perfected through effort and sacrifices -- I was unable to do so. But here I am, to fulfill this responsibility as president of all Hondurans.

Fellow countrymen, today, 15 September 1986, on which date we commemorate the 165th anniversary of our nation's independence, we will perform our civic duty, expressing our devotion and respect for the fatherland and the principles bequeathed to us by our forefathers.

The fatherland is a concept of great human and physical dimensions capable of carrying out great actions through its sons, combining their efforts to achieve their ideals. The commemoration of our independence anniversary must not be a symbolic ceremony in which we march and pay tribute to the flag. It must be more profound, more heartfelt to make us mediate on our daily actions, the task of yesterday, today, and tomorrow, to build a great nation, strong and respected by one and all. It is to conscientiously fulfill the laws of the Republic, it is to work incessantly at resolving its problems, seeking ways to boost our civic and socioeconomic development to make us feel that we have a people for whom to struggle and a land that is ours, because the fatherland belongs to all. Therefore, it is a common task to make it respected and dignified.

Duty, today more than ever, acquires the significance of the highest civic expression because in this era of vicissitudes and crisis, strict adherence to the fulfillment of our citizen's duty is needed and each Honduran must strive to become an active citizen and exemplary patriot.

Today as we commemorate a new anniversary of the proclamation of our independence, I come to share with all the social sectors of our people, and especially with the children and the youth, the teachings of love for the homeland, and civic community spirit, that the forgers of our nationality bequeathed us. They like us, were encouraged by the most beautiful ideals of redemption, justice, and Central American brotherhood. [applause]

I proclaim that those admirable moral convictions of the champions of freedom have been and continue to be the permanent guide in the mission with which my fellow countrymen entrusted me. Thus I have repeatedly said and I reasert today that we should have faith in ourselves if we want to successfully traverse the hard, long road of economic and social development.

Honduran society will only be safe from insufficiency through the analysis, and calm comprehension of its own problems, by upholding dialogue and brotherhood as the tools to cultivate a positive attitude before the obstacles that threaten national decorum and dignity and by firmly believing that the work that redeems and the extolling of moral values are essential virtues to obtain the economic and social development that the Honduran people aspire and deserve. [applauses]

Before 1821 we were only the machinery of colonialism. The expression of all that was Honduran and Central American had been coerced. The privileged groups were rooted on the oppression of a people without historic destiny, without liberty, and without a voice -- a people without a future. The purpose of independence, more than a necessity of a political order, was an unshirkable duty to achieve a latent aspiration of a people aspiring to shape their destiny, to exercise their sovereignty, to enjoy liberty as the mother of creative action.

In this way, in such decisive moments, the womb of the country produced the necessary leaders -- those great leaders of the people who have a heroic vocation and a thorough sense of national dignity. That group of men inspired by the postulates of the French revolution sealed their epic by strengthening the spirit of unity -- the same spirit of Central Americanism that was later the standard of the federalist hero, General Francisco Morazan. The hero of the unity of Central America, whose tragic death we evoke on 15 September, fought for independence, even giving his own life.

His love for the fatherland, which he bequeathed to the youth, is the measure of political thinking that is still valid in the scale of historic values. The fraternal unity of all Hondurans will save the destiny of our nation at the crucial and tormented moment of Central America's destiny.

The standard-bearers of our republican life demonstrated that the fatherland is a great family, a gathering of ideals and a spiritual strength, to which they gave their civic, moral, and political stature, to visualize their faith in democracy.

Those legitimate aspirations born of unity were the only guarantee of our existence as a nation. only the solid unity achieved around the revindicating ideas was capable of making us emerge to independent life, saving us at the hour of self-determination.

Nevertheless, we must recognize that the proclamation of indepencence occurred under circumstances that were not favorable to beginning a process of autonomous development. This, in large part, was the origin of the secular ills affecting the nation.

In fact, the ills currently affecting the nation have secular roots. Hence, it is not easy to overcome them in short term. Nevertheless, this recognition must not lead us to adopt a conformist attitude. On the contrary, we must have the firm conviction that our situation can and should be overcome. Hondurans are capable of pulling our country forward, if we decide to undertake that patriotic endeavor, assuming the honesty of Cabanas, the anlytical serenity of Valle, and the partiotic courage of Morazan. I believe that the formula of salvation is honest and daily work.

With this prospect, I maintain that the citizens in general are in a position to greatly contribute to the country, regardless of the field in which we work, because all work dignifies. Now the nation demands the participation of all its children.

I want to emphasize that we can all contribute to the national process, no matter how humble our work. We are all dutybound to do so, and not only those in the government, because the fatherland is for all of us, and we all have the duty to serve it.

I invite all Hondurans, on this day and during the days to come to join us as a whole with a single will to renew the solemn pledge of being faithful to the fatherland, to the Constitution, to the democratic institutions, and to all the ideals that give content to the Republic.

In this manner, independence will be our aspiration of each day. Within this order of ideas, I demand of my fellow citizens their decided and unreserved support, as a logical prolongation of the vote with which they placed me in the seat of the first worker of the country. That is the response I request as a director of the destiny of the nation, to which I am committed with a keen civic sense.

Once again I reiterate that not even in the most adverse circumstances will I subject the common good to partisan interest or to the supremacy of any power group.

Fellow citizens, let 15 September become a date favorable for magnifying the unity of the Honduran family, without distinction of any nature and within a climate of social harmony and mutual understanding among all citizens.

That was the dream of our forefathers. Thank you very much.

AZCONA REITERATES REJECTION OF CONTRA TRAINING

PA131913 Panama City ACAN in Spanish 1710 GMT 13 Sep 86

[By Armando Cerrato]

[Text] Tegucigalpa, 13 Sep (ACAN-EFE) -- President Jose Azcona today reiterated that the Nicaraguan contras will not be trained or provisioned in Honduran territory. "For the last time, I will reiterate that the anti-Sandinists will not be trained here, and that the U.S. aid will not be channeled through Honduras either," Azcona said, visibly annoyed.

Azcona was approached by journalists at the presidential house and asked to comment on report published in the U.S. press stating that Green Berets will train anti-Sandinists in Honduran camps. The same sources reported that the $100 million in aid the United States approved for the contras will be distributed from Honduras.

"Many things are published in the press. However, I am the Honduran president, and as such, I say that those reports are erroneous and groundless, and even capricious," Azcona said. The journalists stressed that during the past few weeks, Honduras has been visited by William Walker, U.S. deputy assistant secretary of state for Central America, Philip Gabib, U.S. roving ambassador for Central America, General John Galvin, commander of the U.S. southeren command; and General John Wickman, U.S. Army Chief of Staff.

"Those visits have been related to the positions held by these individuals and the Central American situation, an not to exert any pressure on us regarding the subject of the contras, which was not even discussed," Azcona asserted. Diplomatic sources close to the presidential house believe that the constant visits of senior officials from the State Department and military effort to convince Honduras into supplying all necessary facilities to the contras. "Those reports are also false and I ignore their intentions," Azcona said.

The journalists complained to the Honduran president about the lack of official information regarding the visits of those officials, which originated the reports that Azcona now denies. However, the president did not reply.

For their part, anti-Sandinist spokesmen have said in Tegucigalpa that they do not need territory in the countries bordering Nicaragua to receive supplies and train their forces. They also said that in their military training center, located in the Nicaraguan mountains, "approximately 12,000 men have been trained and some 8,000 men will soon be ready to fight." The anti-Sandinists said that they only regret the "difficult" logistical conditions they are confronting and the fact that they do not have enough modern weapons to match the numerous and well-equipped EPS troops.

SALVADORAN AIR FORCE REPORTEDLY STRAFES BORDER

PA152007 Tegucigalpa LA TRIBUNA in Spanish 12 Sep 86 p 2

[Excerpt] Two helicopters, presumably of the Salvadoran Air Force, entered Honduran territory and strafed a forested area near La Estancia, in La Paz Department.

The strafing, which occured on 30 August in an area near the village of Jocoterique, which is located some 5 km from the border, was carried out by two Huey UH-1 helicopters. The attack took place at 1150. Although the bomb explosions scared the small population in Jocoterique, no injuries were reported. However, the rockets started fires that destroyed approximately 15 manzanas of forest land.

The incident was reported by residents in that areas who recently arrived in Tegucigalpa. They added that the helicopters fired five "rockets" [preceding word in English], according to military experts who arrived at the site.

Seconds after the attack, the helicopters gained altitude and headed for El Salvador. [passage omitted]

NICARAGUA

CONTRA DC-3 REPORTEDLY CRASHES IN HONDURAS

PA161933 Managua Radio Noticias in Spanish 1200 GMT 16 Sep 86

[Text] A DC-3 airplane of the counterrevolutionaries who have settled in Honduras crashed near Teupasenti, 55 km east of Tegucigalpa. The six members of the crew survived the crash. A Tegucigalpa report notes that the plane was apparently carrying medicine, arms, and military material for the contras who operate in Honduras. The plane had to make an emergency landing because of mechanical problems and was badly damaged. A motor on the right wing fell off, according to a Honduran military intelligence spokesman. Witnesses of the crash reported that the crew was wearing camouflage-type military uniforms.

ORTEGA VISITS N. KOREA, MEETS WITH KIM II-SONG

For North Korean media coverage of the visit of Nicaraguan leader Daniel Ortega to North Korea, including his meeting with North Korean President Kim II-Song, see the North Korea section of the 16 September Asia & Pacific DAILY REPORT and subsequent issues.

CARDENAL DISCUSSES REGIONAL ISSUES

PA161615 Bogota Emisoras Caracol Network in Spanish 1215 GMT 16 Sep 86

[Text] Medellin -- Nicaraguan Priest and poet Ernesto Cardenal, the culture minister of that Central American nation, will receive a doctor honoris causa degree in humanities from the Latin American Autonomous University today. Cardenal said here that despite the revolution, Nicaragua is at a present a very poor country.

Minister Cardenal said that more than half of Nicaragua's budget must be spent to defend the country from the United States, which is waging a war against Nicaragua on its borders with Costa Rica and Honduras. He criticized Pope John Paul II's position during his visit to Colombia, because the pope rejected the use of arms and armed struggles; however, although Monsignor Vega advocates the use of arms against the revolution in Nicaragua, the pope supported him, which, according to Cardenal, is a clear contradiction.

RELEASED PRISONERS, RELATIVES ARRIVE IN U.S.

PA161658 Havana International Service in Spanish 2300 GMT 15 Sep 86

[Text] More than 100 former counterrevolutionary prisoners and their relatives arrived today in Miami as a result of a sovereign decision made by the Cuban Government in the continuation of a just policy.

Msgr Carlos Manuel de Cespedes, director of the Cuban Episcopal Conference, acknowledged the Cuban Government's cooperation in sending more than 100 counterrevolutionary prisoners, former prisoners and their relatives to the United States. A total of 18 Cuban prisoners serving sentences for crimes committed during Fulgencio Batista's dictatorship today won early release, but refused to travel to the United States despite the U.S. Government's offers.

CASTRO MEETS PERU'S GARCIA DURING HARARE SUMMIT

FL151636 Mexico City NOTIMEX in Spanish 0235 GMT 15 Sep 86

[This item preceded by the following note to subscribers: "NOTIMEX presents the following item by the Latin American Special Information Services (ALASEI) as one more service to its subscribers."]

[Text] Harare, 14 Sep (NOTIMEX) -- It took a summit of the Nonaligned Movement, such as the one that took place in Zimbabwe, for the presidents of Cuba and Peru, Fidel Castro Ruz and Alan Garcia, respectively, to meet. The heads of state first had a private lunch, and later had two prolonged rounds of talks in an area of Harare's luxurious international conferences center which is reserved for important personalities. This center is next to a hotel.

There were witnesses who were able to observe the talks, but not hear what was said, including ALASEI. The two leaders sat very close together and talked for more than 1 hour, with Fidel placing his hand on Garcia's shoulder every so often. The Cuban and Peruvian delegations maintained total secrecy about what had been said during the meetings. From it, we can only speculate based on the logic of the events.

Cuba and Peru expressed solidarity with the Frontline States -- Angola, Mozambique, Zimbabwe, Botswana, Tanzania, and Zambia -- in their struggle against the racist Pretoria regime and apartheid, which cannot be reformed, it must be demolished, according to the Cuban president. Fidel Castro reiterated before the nonaligned countries his conviction, based on cold mathematics drawn from history and present and future realities of Third World economies, that the foreign debt is immoral, uncollectible, and unpayable, and that we are not debtors but creditors.

Alan Garcia told the nonaligned countries that the nations' development and sovereignty could not be jeopardized by fulfilling the debt's services under the conditions the creditors wanted to impose, and that only 10 percent of the values of exports should be paid to service the debt.

The Eighth Nonaligned Summit did not approve either thesis, which are too revolutionary for a heterogeneous movement of which Vietnam and Saudi Arabia, Malaysia and the DPRK, Cameroon and Angola, Peru and Zaire, Cuba and Singapore are members.

But, the contents of the paragraphs of the declaration mentioning the foreign debt were better -- according to the opinion of the movement's progressive countries -- than those adopted in April in New Delhi during the last ministerial meeting of the movement. First to be considered are national interests, the sovereignty of the states, development, and nourishment of the peoples; after that the creditors' demands.

NEW AMBASSADOR MEETS WITH USSR OFFICIALS

FL162239 Havana Radio Periodico Del Aire in Spanish 2130 GMT 16 Sep 86

[Text] Moscow -- First Deputy Foreign Minister Anatoliy Kovalev today received Julio Camacho Aguilera the new ambassdor of the Republic of Cuba. The meeting took place in preparation for the official presentation of the credentials accrediting Camacho Aguilera as top representative of the Cuban state mission in the USSR.

Camacho Aguilera arrived in Moscow last Saturday.

LABOR LEADER VEIGA ON SUPPORT FOR CHILEANS

PA161419 Havana International Service in Spanish 2300 GMT 12 Sep 86

[Report by Susana del Calvo on statements by Roberto Veiga, secretary general of the Central Organization of Cuban Trade Unions, date and place not given -- passages within quotation marks recorded]

[Text] The intensification of repression in Chile shows that 13 years after the establishment of General Augusto Pinochet's military dictatorship in that country the tyrant remains in power by nourishing himself with the Chilean people's sweat and blood.

"Through various means, the Chilean people are intensifying the struggle against the bloody tryanny that for 13 long years now has been plunging the country into terror, mourning, and poverty after seizing power through the treacherous military coup that took the life of heroic President Salvador Allende and many other brave men."

So said Roberto Veiga, secretary general of Cuba's central labor organization. Veiga, who is also a member of the Politburo of the Central Committee of the Communist Party of Cuba, added: "Within the framework of the solidarity drive with the fraternal Chilean people and on the occasion of the 13th anniversary of this ill-fated episode, the Cuban working class once again expresses its determined support for the Chilean workers in their just demands and struggle."

The Cuban workers' leader said they stand alongside all the world's workers and the international union movement. He added: "We demand an end to Pinochet's fascist regime and express our solidarity with the Chilean people's just demands, the return to democracy, and the return to freedom."

HAITI

FORMER DUVALIER OFFICIALS SENTENCED IN ABSENTIA

PA160021 Paris AFP in Spanish 2307 GMT 15 Sep 86

[Text] Port-au-Prince, 15 Sep (AFP) -- Elois Maitre and Jean Tassy, two former officials of the political police of former Haitian President Jean-Claude Duvalier, were sentenced to death in absentia by the tribunal of Port-au-Prince, it was announced today by a judiciary source.

Elois Maitre and Jean Tassy, the latter official in Brazil since the late sixties, were found guilty of "illegal arrests, tortures, and assassinations" against the anti-Duvalierist left-wing militant and his wife Lucette Lafontant, killed in 1965 shortly after his arrest by Duvalier's political police. The two former police officials were also sentenced to pay $50,000 for libel and suit to the brother of one of the victims, Emanuel Ambroise, and $250,000 each to Dimitrov Ambroise, son of the victims.

TRINIDAD AND TOBAGO

CHAMBERS, LUSINCHI ISSUE JOINT COMMUNIQUE

FL162111 Bridgetown CANA in English 2100 GMT 16 Sep 86

[Text] Port of Spain, Trinidad, Sep 16, CANA -- Trinidad and Tobago and Venezuela today condemned South Africa's occupation of Namibia as well as its policy of Africa's occupation of Namibia as well as its policy of white supremacy, and also agreed to work more closely to combat drug smuggling.

A joint communique issued after last week's visit of President Jaime Lusinchi of Venezuela said that he and Trinidad and Tobago's Prime Minister George Chambers recalled their own peoples' struggles for independence.... (they) reaffirmed their support for the peoples of South Africa in their struggle for a free democratic and multiracial society, the communique said....They condemned South Africa's continued illegal occupation of Namibia as well as the exploitation of its natural resources to the detriment of the Namibian people, the communique added. In the light of this they called for the immediate independence of Namibia in conformity with the relevant United Nations's resolution, said the communique.

The communique also announced Trinidad and Tobago and venezuela had agreed to continue to work towards an agreement on drug trafficking. The two leaders expressed their support for the 1987 international conference on narcotics trafficking and drugs abuse, scheduled for Vienna. Lusinchi and Chambers said they hoped the conference will adopt an international convention incorporating legal elements for the international community to fight drug trafficking and abuse. In the same spirit, they agreed to continue discussions on the basis of a draft agreement proposed by Venezuela on prevention, control, and supression of the illicit traffic and use of narcotic drugs and psychotropic substances...the communique said. (The discussions are aimed at)... adopting as soon as possible, a bilateral agreement that will allow both governments to strengthen their cooperation so as to effectively combat and eradicate the problem of the use and illicit traffic in drugs which is of common concern to both countries, the communique added.

FRENCH GUIANA

PREFECT ON SOLDIERS PATROLLING SURINAME BORDER

PA132159 Paris AFP in Spanish 2121 GMT 12 Sep 86

[Excerpts] Cayenne, 12 Sep (AFP) -- Approximately 100 French soldiers supported by gendarmes since 3 September have been patrolling the French side of the Marowijne River, which separates Guiana from Suriname, according to Guiana Prefect Jacques Dewatre.

Following the fighting between the Surinamese Army and the rebel group led by Ronny Brunswijk, the presence of the French troops stationed along the Marowijne River is intended "to prevent illegal entries from Suriname," Dewatre recently told the press.

The soldiers are keeping control over "the movements in coastal towns" of the black Boni and Saramaka tribes, which maintain close ties with Suriname, the prefect said.

The surveillance was established in the wake of the attack by Brunswijk's rebels against the Surinamese town of Albina, which is located on the banks of the Marowijne River and faces the French Guianese city of Saint-Laurent-du-Maroni.

France yesterday denied the existence of joint French-Surinamese military patrols. "France does not intervene in Suriname's internal affairs; it is soley responsible for maintaining order in Guiana," the spokesman for Quai D'Orsay (French Foreign Ministry) said.

"The principle of noninterference in the internal affairs of a neighboring country was respected," said the Guianese prefect, who asserted that "official relations between Paramaribo (capital of Suriname) and Cayenne are stable." [passage omitted]